

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**City of Aberdeen**  
**Grays Harbor County**

Audit Period  
**January 1, 2003 through December 31, 2003**

**Report No. 67474**

Issue Date  
**November 19, 2004**



Washington  
***State Auditor***  
Brian Sonntag

# Audit Summary

**City of Aberdeen  
Grays Harbor County  
January 1, 2003 through December 31, 2003**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the City of Aberdeen for the period January 1, 2003, through December 31, 2003.

We performed audit procedures to determine whether the City complied with state laws and regulations and its own policies and procedures. We also evaluated the internal controls established by City management. Our work focused on specific areas that have potential for abuse and misuse of public resources.

## ***RESULTS***

In most areas the City complied with state laws and regulations and its own policies and procedures in the areas we examined, however we noted certain issues that we reported directly to management. Internal controls were adequate to safeguard public assets.

## ***RELATED REPORTS***

Our opinion of the City's financial statements and compliance with federal program requirements is provided in a separate report, which includes the City's financial statements.

## ***CLOSING REMARKS***

We thank City officials and personnel for their assistance and cooperation during the audit.

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# Description of the City

## City of Aberdeen Grays Harbor County January 1, 2003 through December 31, 2003

### ***ABOUT THE CITY***

The City of Aberdeen serves 16,400 citizens in Grays Harbor County. A mayor-council form of government administers the City. The City has 12 elected Council Members and an independently elected Mayor.

The City operates on an annual general fund operating budget of \$11.4 million. Its employees provide a full range of services including public safety, fire protection, Municipal Court, utilities, streets, parks and recreation, planning and zoning, and general administrative services. The City is also one of three entities participating in the Grays Harbor County Drug Task Force.

### ***AUDIT HISTORY***

We audit the City annually. Prior audits have noted some areas of concern.

The 1998 audit contained two findings, one identifying weaknesses in internal controls over fixed assets and the second addressing noncompliance with federal subrecipient monitoring requirements for a federal Community Development Block Grant received by the City.

The 2001 audit identified three conditions significant enough to report as findings: noncompliance with state bid laws, noncompliance with auditing officer certification laws and noncompliance with the federal subrecipient monitoring requirements for a federal Community Development Block Grant.

The 2002 audit was free of findings, as is the current audit.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Mayor	Mike Wilson
Council Members:	
Ward 1	Bob Shortt (resigned April 30, 2003) James Cook (appointed November 26, 2003)
Ward 2	Tim Shute Alice Phelps Doug Paling
Ward 3	Jo-Ann Andrews Tom Laufman
Ward 4	Tobi Buckman Dorothy Voegel
Ward 5	Bob McCullough Bill Simpson
Ward 6	Troy Adams Jerry Mills

## ***APPOINTED OFFICIALS***

Finance Director  
City Attorney  
Chief of Police  
Fire Chief  
Public Works Director  
Parks and Recreation Director  
Planning and Economic Development  
Personnel Services Manager  
Municipal Court Judge

Fred Thurman  
Eric Nelson  
Bob Maxfield  
Dave Carlberg  
Larry Bledsoe  
Wes Peterson  
Bob Waite  
Marsha Olsen  
Paul Conroy

## ***ADDRESS***

City

200 East Market Street  
Aberdeen, WA 98520  
(360) 533-4100

# Audit Areas Examined

## City of Aberdeen Grays Harbor County January 1, 2003 through December 31, 2003

In keeping with general auditing practices, we do not examine every portion of the City of Aberdeen's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the City were examined during this audit period:

### **ACCOUNTABILITY FOR PUBLIC RESOURCES**

We evaluated the City's accountability in the following areas:

- Cash receipting and revenues (police, municipal court, utilities)
- Purchase of goods and services
- Payroll

### **LEGAL COMPLIANCE**

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Use of restricted funds
- Budgeting requirements
- Ethics/conflict of interest laws
- Open Public Meetings Act
- Contracts and agreements
- Competitive bid law compliance
- General insurance coverage
- Bond covenants

### **FEDERAL PROGRAMS**

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the City's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

### **FINANCIAL AREAS**

Our opinion on the City's financial statements is provided in a separate report. That report includes the City's financial statements and other required financial information. We examined the financial activity and balances of the City including:

- Cash and investments
- Revenues
- Expenditures
- Assets
- Liabilities
- Long-term debt
- Overall presentation of the financial statements